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## INFORMATION REPORT

## REPORT

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**COUNTRY** Germany (Russian Zone)

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**SUBJECT**     Bottlenecks in DDR Industry

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1. In January and February 1952, officials of the BfW(1) were seriously concerned by reports of bottlenecks from many of the firms supplying them with equipment. The bottlenecks were principally caused by the lack of raw material and key machine parts. The main bottlenecks were as follows:
  - a. Cast iron. The Horch plant (2) in Zwickau was unable to carry out its production plan because the Ministry for Machine Construction had cancelled a "charge" (i.e. the term used to describe each complete discharge of iron from a blast furnace) of cast iron intended for the manufacture of driving shafts (Planstangen). The cancellation was the result of a decree of the Ministerial Council to the effect that the tractor plant in Nordhausen(3) should complete 1,500 tractors by 15 March 1952. As a consequence of this decree, material had been diverted from many other firms: According to officials of the Ministry for Machine Construction, the Ministry had ordered 93 "charges" in order to complete the national economic plan (Volkswirtschaftsplan) target for 1952, but had been allocated only 55. There were prospects of unemployment or part time employment for the workers in many firms under the Ministry.
  - b. Self-starters for vehicles. Since October 1951, the DDR has been attempting to become independent of imports of self-starters from [redacted]. The IKA Leuchtenbau Leipzig had produced self-starters which were supposed to be an exact replica of a type manufactured by Bosch. Tests had shown that up to 50% of the vehicles fitted with the IKA self-starters broke down after a very short time. The shortage of self-starters affected both the Horch and Phaenomen(4) works.
  - c. Cellon (manufacturers' name, Reilit). This transparent material, required for use in the manufacture of military vehicles, is only produced in very limited quantities by Agfa in Wolfen.(5) At present the entire production is handled by the SCC, and increased production is not expected until March 1952.

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- d. Constantan. This wire, used for resistance in electrical equipment, is produced by very few plants. Production has reached a standstill in many plants because of this shortage.
- e. Sheet metal. Because of the shortage of sheet metal, all-out attempts are being made to construct plastic substitutes. F.9 production is almost at a standstill because of the shortage of sheet metal. Plastic is unsuitable for military vehicles as it can be too easily damaged by an increase of temperature.
- f. Perbunan. Perbunan is a material used in the manufacture of pipes for conducting petrol supplies. The completion of tank trucks is almost at a standstill because of this shortage.

- (1) Comment: Buero fuer Wirtschaftsfragen.
- (2) Comment: Ifa Kraftfahrzeugwerk Horch VEB Zwickau.
- (3) Comment: Ifa Schlepperwerk Nordhausen VEB
- (4) Comment: Ifa Kraftfahrzeugwerk Phaenomen VEB, Zittau.
- (5) Comment: Now named Filmfabrik Wolfen (SAG Fotoplenka).

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